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Committee on Operating Rules For Information Exchange (CORE®)

Public Town Hall Call

July 17, 2012

Additional information/resources available at www.caqh.org

This document is for educational purposes only; in the case of a question between this document and CAQH CORE Operating Rule text and/or Federal regulations, the latter take precedence.

Agenda

- Brief Overview of CAQH CORE
 - For more information contact Omoniyi Adekanmbi at oadekanmbi@caqh.org
- Update on Mandated Healthcare Operating Rules
 - ACA Section 1104 - Highlights and Timeline
 - First Set - Eligibility & Claim Status Operating Rules
 - Second Set - EFT & ERA Operating Rules
 - Third Set - Attachments, Prior Authorization, Enrollment, etc.
- Update on Mandated Healthcare EFT Standard
 - Highlights from the Healthcare EFT Standards Final Rule
 - NACHA's Next Steps to Support Implementation of the Healthcare EFT Standards
 - Presented by Michael Herd, NACHA
- Update on Non-Rules Writing Activities
 - CORE Transition Committee
- Stay Involved with CAQH CORE

Polling Question #1: *Entity Stakeholder Type*

What is your organization's stakeholder type?

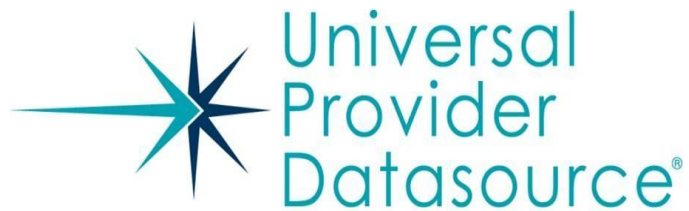
- a. Provider
- b. Health Plan
- c. Vendor
- d. Clearinghouse
- e. Government Entity
- f. Consulting Firm
- g. Other

Brief Overview of CAQH CORE

CAQH® and Its Initiatives



Multi-stakeholder collaboration of over 130 participating organizations that is developing industry-wide operating rules, built on existing standards, to streamline administrative transactions. Cover 75% of the commercially insured, plus Medicare and some Medicaid.



An industry utility that replaces multiple health plan paper processes for collecting provider data with a single, electronic, uniform data-collection system (i.e., credentialing). More than 1 million providers self-report their information to UPD and over 650 organizations access the system, including a range of public and private entities.



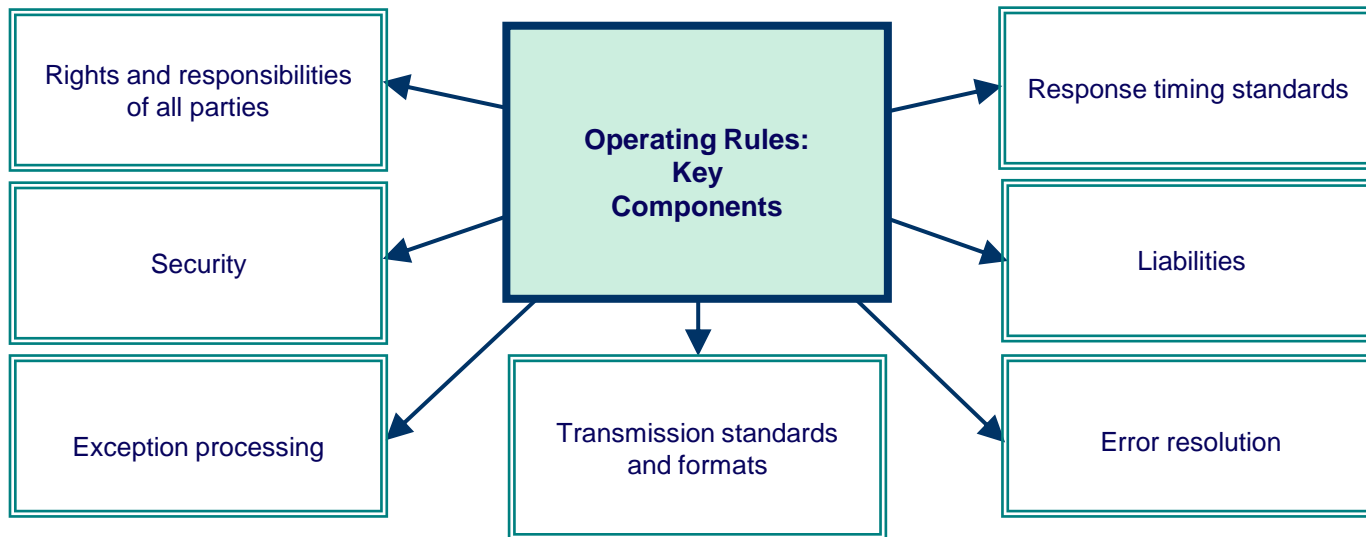
An objective industry forum for monitoring business efficiency in healthcare. Tracking progress and savings associated with adopting electronic solutions for administrative transactions across the industry.

Committee on Operating Rules for Information Exchange

- Integrated model
 - Rule writing, certification and testing, and outreach/education
- Mission: To build consensus among healthcare industry stakeholders on a set of operating rules that facilitate administrative interoperability between providers and health plans
 - Enable providers to submit transactions from the system of their choice (*vendor agnostic*) and quickly receive a standardized response
 - Enable stakeholders to implement in phases that encourage feasible progress in resolving industry business needs while minimizing barriers to adoption
 - Facilitate administrative and clinical data integration
- CAQH CORE is not:
 - Replicating the work being done by standard-setting bodies, e.g., ASC X12, HL7, OASIS, W3C
 - Developing software or building a database

What Are Operating Rules?

- The [Patient Protection and Affordable Care Act \(ACA\)](#) defines operating rules
 - Operating rules address gaps in standards, help refine the infrastructure that supports electronic data exchange, and recognize interdependencies among transactions; they do not duplicate standards
 - Current healthcare operating rules build upon a range of standards – healthcare specific (e.g., ASC X12) and industry neutral (e.g., OASIS, W3C, ACH CCD+) – and support the national HIT agenda
- Operating rules encourage an interoperable network and, thereby, are vendor agnostic



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Update on Mandated Healthcare Operating Rules: ACA Section 1104

Administrative Simplification: *ACA Section 1104*

Section 1104 of the ACA ([H.R.3590](#))

“...Establishes new requirements for administrative transactions that will improve the utility of the existing HIPAA transactions and reduce administrative costs”

Highlights

- Updates initial August 2000 HIPAA regulation for transaction standards and code sets given landscape has significantly changed, and unnecessary healthcare costs/burden must be removed from the system
- Requires Department of Health and Human Services (HHS) to appoint a “qualified non-profit entity” to develop a set of operating rules for the conduct of electronic administrative healthcare transactions
- Administrative and financial standards and operating rules must:
 - Enable the determination of eligibility and financial responsibility for specific services prior to or at the point of care
 - Be comprehensive, requiring minimal augmentation by paper or other communications
 - Provide for timely acknowledgment, response, and status reporting
- HIPAA covered entities and business associates engaging in HIPAA standard transactions on behalf of covered entities must comply
- Health plans must file a statement with HHS confirming compliance; financial penalties for health plans are significant

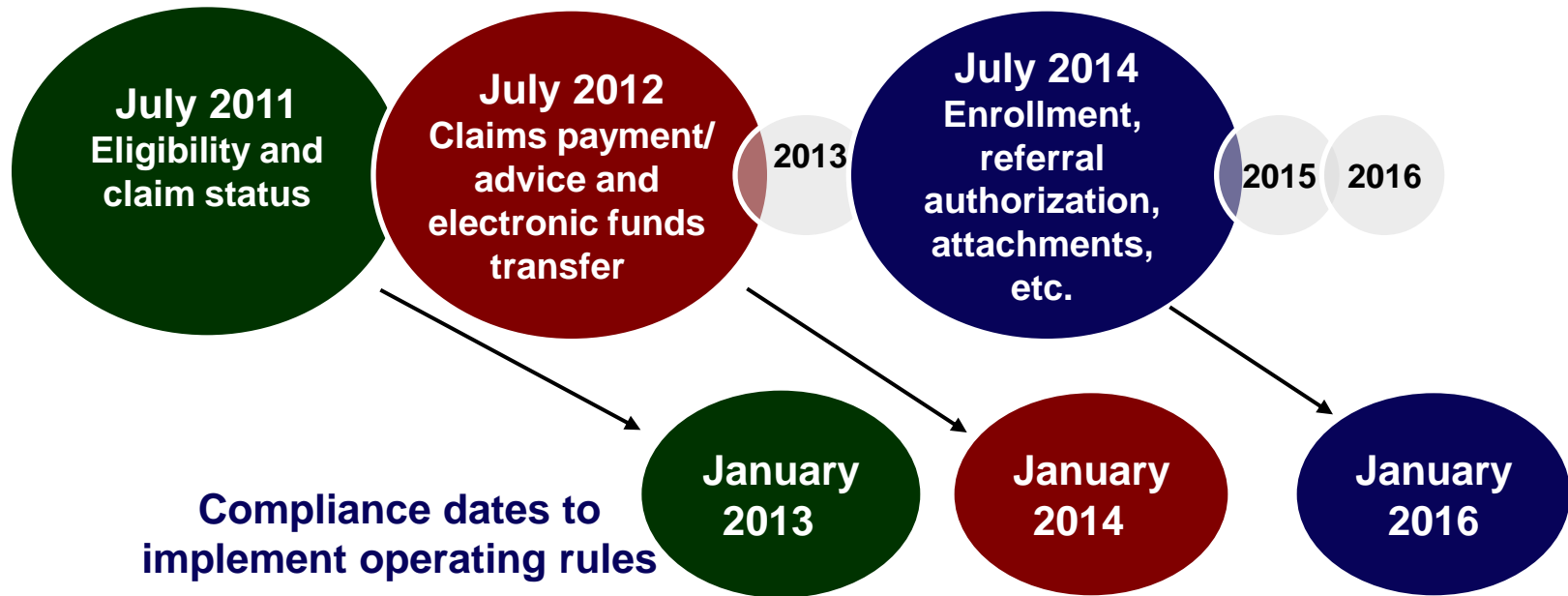
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ACA Mandated Operating Rules Approach

Operating rule writing and mandated implementation timeframe per ACA legislation

Adoption deadlines to finalize operating rules



NOTES:

1. NCVHS is the body designated by HHS to make recommendations regarding the operating rule authors and the operating rules.
2. Statute defines relationship between operating rules and standards.
3. Operating rules apply to HIPAA covered entities; beyond HIPAA compliance penalties, certification penalties for health plans.
4. Per statute, documentation of compliance for health plans may include completion of end-to-end testing (i.e., certification and testing).
5. Statute states compliance with the applicable standard/operating rule is required no later than its effective date.

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Mandated Healthcare Operating Rules:

First Set - Eligibility & Claim Status

Mandated Eligibility & Claim Status Operating Rules: *Six Months Until Compliance Deadline*

- Status: The first set of operating rules have been adopted into Federal regulation
 - July 2011, CMS published [CMS-0032-IFC](#) with the following key features:
 - Adopted Phase I and II CAQH CORE Operating Rules for the Eligibility & Claim Status transactions, *except for rule requirements pertaining to Acknowledgements**
 - Highlights CORE Certification is *voluntary*; further defines relationship between standards and operating rules and analysis of ROI from operating rules implementation
 - December 2011, CMS adopted above as a Final Rule; industry implementation efforts underway for the **January 1, 2013 effective date**
 - CAQH CORE is committed to assisting with roll-out of the Final Rule and continuing to support maintenance of the rules, e.g., coordinating with CMS on FAQs, hosting education sessions
- ACA Section 1104 requires *all HIPAA covered entities* be compliant with applicable HIPAA standards **and associated operating rules**

The complete set of CAQH CORE Eligibility & Claim Status Operating Rules are available free of charge [HERE](#).

*On September 22, 2011, NCVHS issued a [letter](#) recommending Acknowledgements be adopted as formally recognized standards and the CAQH CORE Operating Rules for these standards also be recognized.

Scope of Mandated CAQH CORE Eligibility & Claim Status Operating Rules

Examples of Topics that CAQH CORE Operating Rules Address: <i>All are within ACA-defined scope of operating rules and build on standards where appropriate</i>			
<u>Data Content:</u> <i>Eligibility</i>	Address need to drive further industry value in transaction processing	More Robust Eligibility Verification Plus Financials	Enhanced Error Reporting and Patient Identification
	Address industry needs for common/accessible documentation	Companion Guides	System Availability
<u>Infrastructure:</u> <i>Eligibility and Claim Status</i>	Address industry-wide goals for architecture/performance/connectivity	Response Times	Acknowledgements*
		Connectivity and Security	

*Please Note: In the Final Rule for *Administrative Simplification: Adoption of Operating Rules for Eligibility for a Health Plan and Health Care Claim Status Transaction*, CORE 150 and CORE 151 are not included for adoption. Although HHS is not requiring compliance with any operating rules related to acknowledgement, the Interim Final Rule does say “we are addressing the important role acknowledgements play in EDI by strongly encouraging the industry to implement the acknowledgement requirements in the CAQH CORE rules we are adopting herein.”

ACA Federal Compliance Requirements:

Highlights & Key Dates

- The following three dates are critical for industry implementation of the Federally mandated CAQH CORE Eligibility & Claim Status Operating Rules
 - Note: There are two types of penalties related to compliance with the mandated operating rules¹*

	January 1, 2013 <i>Compliance Date</i>	December 31, 2013 <i>Health Plan Certification Date</i>	No Later than April 1, 2014 <i>Health Plan Penalty Date</i>
Key Area	HIPAA Mandated Implementation	ACA-required Health Plan Certification	
Description	Who: All HIPAA covered entities Action: Implement CAQH CORE Eligibility & Claim Status Operating Rules	Who: Health plans Action: File statement with HHS certifying that data and information systems are in compliance with the standards and operating rules ²	Who: Health plans Action: HHS will assess penalties against health plans that have failed to meet the ACA compliance requirements for certification and documentation ²
Applicable Penalties	Amount: Due to HITECH, penalties for HIPAA non-compliance have increased, now up to \$1.5 million per entity per year	Amount: Fee amount equals \$1 per covered life ³ until certification is complete; penalties for failure to comply cannot exceed on an annual basis an amount equal to \$20 per covered life or \$40 per covered life for deliberate misrepresentation	

¹ CMS OESS is the authority on the HIPAA and ACA Administrative Simplification provisions and requirements for compliance and enforcement. The CMS website provides information on the ACA [compliance, certification, and penalties](#) and [enforcement process](#).

² According to CMS, regulation detailing the health plan certification process is under development, and they will release details surrounding this process later this year; CAQH CORE will continue to offer its *voluntary* CORE Certification program and will share lessons learned with CMS as the Federal process is developed.

³ Covered life for which the plan's data systems are not in compliance; shall be imposed for each day the plan is not in compliance

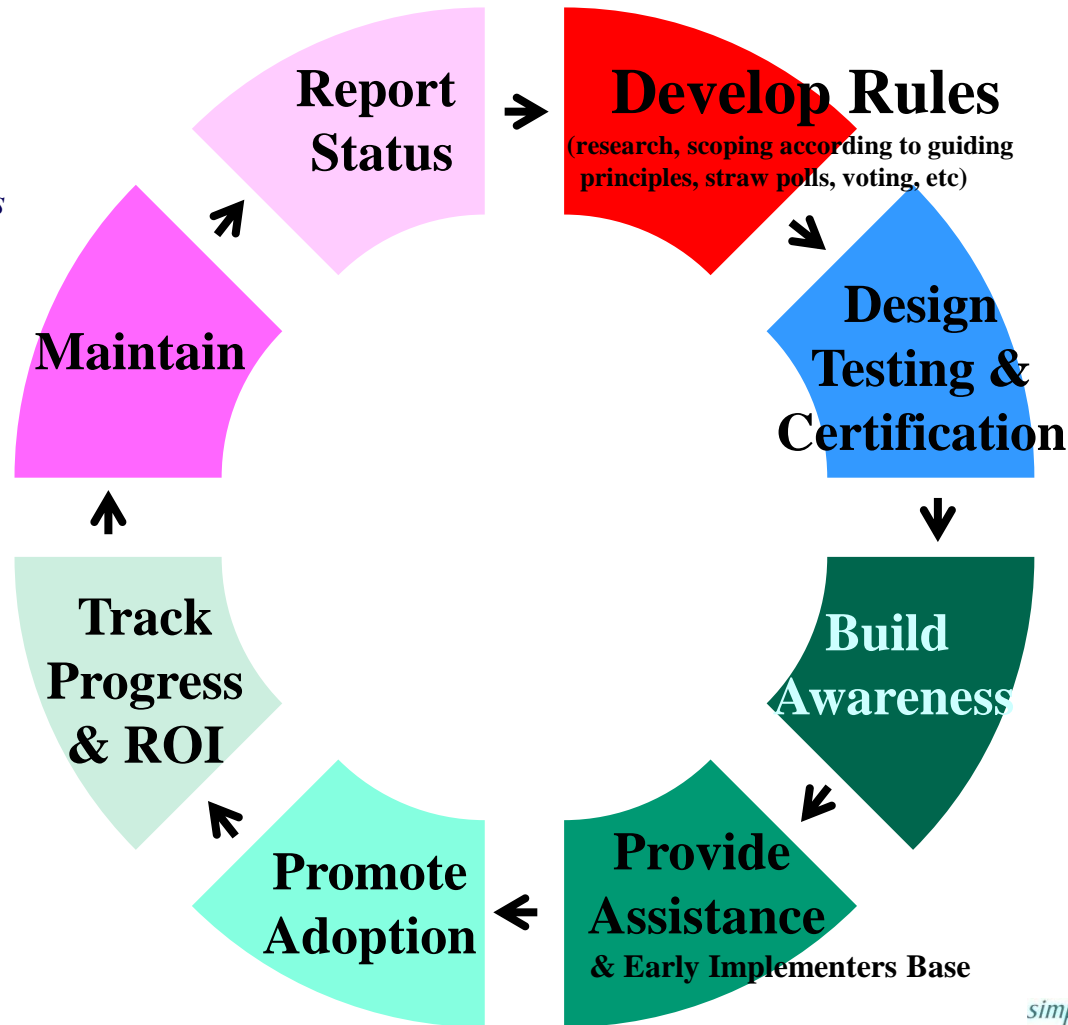
June NCVHS Subcommittee on Standards Meeting:

CAQH CORE Related Activities

- June 21st-22nd: NCVHS held Full Committee Meeting ([agenda & testimonies](#))
- June 20th: Subcommittee on Standards meeting, [agenda](#) addressed industry status of planning, transitioning and implementation of transaction standards, code sets and operating rules and lessons learned (e.g. ICD-10, v5010, etc.). Key items related to operating rules included:
 - Initial ideas for the ACA mandated health plan compliance certification process
 - Testifiers included WEDI, EHNAC, AHIP, and Aetna and addressed testing issues and certification strategies
 - Status of industry implementation of the eligibility & claim status operating rules
 - Testifiers included health plan (United Healthcare & BCBSNC) and provider (AMA) perspectives in addition to testimonies from WEDI and CAQH CORE
 - CAQH CORE provided [testimony](#) on:
 - Role of an operating rule author in driving adoption
 - CAQH CORE activities, outreach and education efforts to date to support implementation
 - Opportunities and challenges identified to date
 - Ongoing and new activities given challenges and opportunities
 - Key recommendations for NCVHS to reach January 1, 2013 implementation deadline

CAQH CORE Integrated Model: Perspective on the Role of Authoring Entities

*CAQH CORE rules
and their early
implementation base
have experienced this
integrated model*



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CAQH CORE Recommendations to NCVHS for Reaching January 2013 Deadline

- CAQH CORE recommended that NCVHS:
 - Consider system challenges outlined in testimony, e.g.,
 - Mandated adoption, and laws of supply and demand:
 - Providers required only to use standards and operating rules if choose to use electronic transactions.
 - Practice management/patient financial systems (PMS) vendors not incentivized to support electronic transactions for providers.
 - Lack of a coordinated network (non-IT) connecting all relevant individuals responsible for implementation and supporting various loci for implementation tools, business strategies, and technical/policy information.
 - NCVHS can move the needle in these policy and strategic areas
 - Request an update from CAQH CORE in Fall 2012
 - Recommend that OESS:
 - Monitor adoption status and jointly report monthly to the public on the status and lessons learned
 - Provide support for existing efforts on education – both by participating directly and distributing information about free/low-priced programming
 - Utilize expertise of authoring entities to encourage networking by early adopters
 - Consider if criteria for authoring entity responsibilities need to include adoption and tracking role

CAQH CORE Resources for Implementing the Mandated Eligibility & Claim Status Operating Rules

Polling Question #2: *Implementation Efforts*

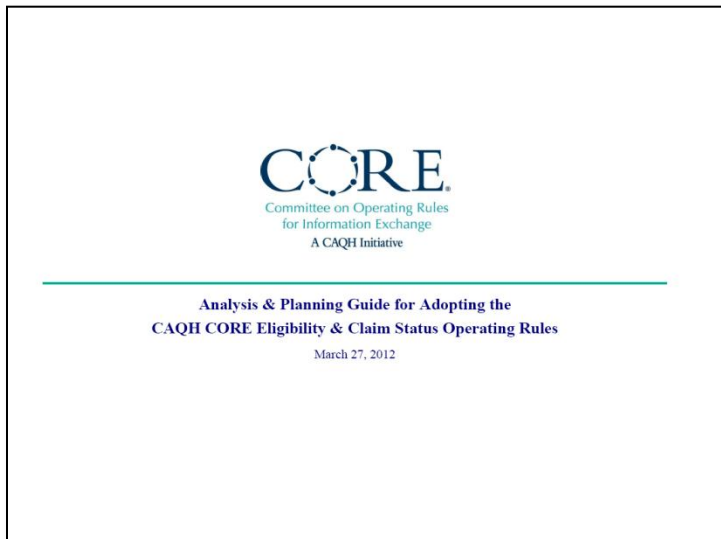
At which stage is your organization in the eligibility and claim status operating rules implementation process?

- a. Have not started
- b. Analysis and planning (budgeted, resources assigned, impact analysis)
- c. Systems design (software/hardware upgrades identified, coordinating with vendors)
- d. Systems implementation (software, hardware and vendor services upgrades fully implemented)
- e. Integration & testing (internal and trading partners testing)
- f. Deployment/maintenance (full production use with one or more trading partners)
- g. N/A

Meeting the January 1, 2013 Deadline:

Example of Tools Year-to-Date

- The [Analysis & Planning Guide for Adopting the CAQH CORE Eligibility & Claim Status Operating Rules](#) provides guidance for Project Managers, Business Analysts, System Analysts, Architects, and other project staff to complete systems analysis and planning



Guide should be used by project staff to:

- Understand applicability of the CAQH CORE Operating Rule requirements to organization's systems that conduct the eligibility and/or claim status transactions
 - Identify all impacted external and internal systems and outsourced vendors that process eligibility and/or claim status transactions
 - Conduct detailed rule requirements gap analysis to identify system(s) that may require remediation and business process which may be impacted
- The guide includes three tools to assist entities in completing analysis and planning:
 - Stakeholder & Business Type Evaluation
 - Systems Inventory & Impact Assessment Worksheet
 - Gap Analysis Worksheet

Meeting the January 1, 2013 Deadline:

Highlighting New Resources

- In response to feedback on how CAQH CORE can better assist with implementation efforts, CAQH CORE offers the following new resources:
 - **Free Industry Education Session:** July 30th, 2:00 – 3:30 pm ET: Joint CAQH CORE/Edifecs Education Session: *Reality Check: Testing Mandate Readiness with Edifecs, A CAQH CORE-authorized testing vendor*, register [HERE](#)
 - Review each of the CAQH CORE mandated operating rules for Eligibility for a Health Plan and Healthcare Claim Status by stakeholder type
 - Highlight the key elements of a CAQH CORE Operating Rule test plan and incorporate industry recommended test scenarios and test scripts into their end-to-end conformance testing efforts,
 - Explore an on-line CORE Operating Rule conformance testing demonstration
 - **Free Educational Guide:** *CAQH CORE Eligibility Operating Rules & ASC X12 Standards Working in Harmony (coming soon!)*
 - Resource to assist entities in understanding the relationship between the CAQH CORE Operating Rules and ASC X12 standards:
 - Learn the detailed requirements of the mandated CAQH CORE Rules for the eligibility as they relate to the requirements of the ASC X12 standard
 - Understand that the CAQH CORE Operating Rules and the ASC X12 standards work in unison to achieve the goals administrative simplification
 - Examples on following slides
 - **Updates to FAQs:** Posting “top ten” FAQs on website; considering searchable database
 - **Open Q&A Calls:** To answer industry questions as deadline nears

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Patient Financial Responsibility: *Example of CAQH CORE Operating Rules and the ASC X12 standards working in unison to achieve goals of administrative simplification*

ASC X12 271 Eligibility Response Requirement Addressed in CAQH CORE Rules	ASC X12 v5010 270/271 TR3 Reference	CAQH CORE Rule Reference
Patient Financial Responsibility <i>Reminder: Operating rules do not repeat the standards but gain additional use for ROI. As new versions of the standards are Federally mandated, the Federally mandated operating rules will be updated per CORE Guiding Principles. This iterative nature between operating rules and standards was already seen with the HIPAA regulation change from ASC X12 v4010 to SCS v5010.</i>	<u>§1.4.7.2 Recommended Additional Support</u> Highly recommends response include any known patient financial responsibility for benefits being described	<u>CORE 154 Rule, §1.2, §1.2.1, §1.2.2, and §1.2.3</u> <u>CORE 260 Rule §4.1.3.1, §4.1.3.2, and §4.1.3.3</u> Requires co-insurance, co-pay, <u>base and remaining deductible</u> be returned for each Service Type Code included in response Requires benefit-specific (i.e., Service Type Code) patient financial responsibility to be returned only when different than for health plan, i.e., 30 – Health Plan Benefit Coverage If out of network differs from in-network, it must also be returned

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CORE-required Service Type Codes – Explicit Inquiry:

Example of CAQH CORE Operating Rules and the ASC X12 standards working in unison to achieve goals of administrative simplification

ASC X12 271 Eligibility Response Requirement Addressed in CAQH CORE Rules	X12 v5010 270/271 TR3 Reference	CAQH CORE Rule Reference
Service Type Codes required to be Supported for Explicit Inquiry <i>Reminder: Operating rules do not repeat the standards but gain additional use for ROI. As new versions of the standards are Federally mandated, the Federally mandated operating rules will be updated per CORE Guiding Principles. This iterative nature between operating rules and standards was already seen with the HIPAA regulation change from ASC X12 v4010 to SCS v5010</i>	<u>§1.4.7 Implementation-Compliant Use of the 270/271 Transaction Set</u> Not required to generate an explicit response to an explicit request if the system is not capable of handling it	<u>CORE 154 Rule, §1.4</u> <u>CORE 260 Rule, §4.1.1.1</u> Requires support for an explicit inquiry for 51 Service Type Codes

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Note: CAQH CORE rules build upon use of the ASC X12 v5010, which is required by Federal regulation.

Additional CAQH CORE Implementation Tools

- FAQs:
 - CAQH CORE has a [list of FAQs](#) to address typical questions regarding the operating rules; updated FAQs being loaded to website as appropriate given mandates
- Access to past Education Sessions:
 - CAQH CORE hosts CORE Participant and Industry Education Sessions and also holds frequent sessions with partners (WEDI, provider/payer associations, Medicaid workgroups, etc.) that include speakers from entities that have implemented the rules
 - Past sessions available on [CAQH CORE website](#)
 - CAQH CORE Participants and staff contribute at many conferences/meetings throughout the year, often with partners, including WEDI Forums, NPAG Conference, GE Centricity Business National Users' Conference, etc. (See [upcoming events](#))
- Phase I & Phase II CORE Certification and Master Test Suites:
 - Initially developed for voluntary CORE Certification but same concepts, e.g., role of trading partners, apply for general adoption of the CAQH CORE Operating Rules
 - Provide guidance on the stakeholder types to which the rules apply and working with trading partners
- General/Interpretation Questions:
 - After reviewing other tools & resources, information requests can be submitted to the CAQH CORE Request Process at CORE@caqh.org
 - All responses complete formal review process by CAQH CORE experts based on request type/complexity
 - More than 375 unique requests (every item is tracked and logged) processes in 2012

Additional Implementation Resource:

**Voluntary CORE Certification*

- Consider pursuing voluntary CORE Certification
 - **WHY:** CORE Certification testing offers a mechanism to test your ability to exchange eligibility and claim status transaction data with your trading partners
- Key benefits of voluntary CORE Certification
 - Demonstrates to the industry adoption of the CAQH CORE Operating Rules via a recognized industry “Seal” due to multi-stakeholder collaboration
 - Encourages trading partners to work together on transaction data content, infrastructure and connectivity needs
 - Independent testing of operating rules implementation can reduce the amount of work required for successful trading partner testing
 - Promotes maximum ROI when all stakeholders in the information exchange are known to conform with the CAQH CORE Operating Rules
- Currently, 58 organizations/products CORE-certified
- Certification and testing are separate activities
 - Testing is performed online by CAQH CORE-authorized testing vendor; Certification is completed by CAQH CORE and occurs after successful testing is completed

*NOTES:

1. The voluntary CORE Certification Program offered by CAQH CORE is separate from the CMS Federal operating rules compliance program mandated by the ACA. Information on the CMS compliance program regarding operating rules is under development and can be found [HERE](#).
2. Entities are required to complete the rule requirements pertaining to acknowledgements to achieve *voluntary* CORE Certification.

Mandated Healthcare Operating Rules: Second Set - EFT & ERA

Mandated EFT & ERA Operating Rules: *Status*

- Status:

- [CAQH CORE EFT & ERA Operating Rules Package](#) (composed of EFT & ERA Rules Set and Voluntary CORE Certification Test Suite) has been **approved by Full CORE Membership** (last step of [CORE Voting Process](#))
- Quorum requirements were exceeded and 75% approval was achieved

- Background:

- Spring 2011 - NCVHS recommended:
 - NACHA as healthcare EFT SDO and ACH CCD+ as healthcare EFT standard
 - CAQH CORE, in collaboration with NACHA, as author for EFT and ERA operating rules (pharmacy to be addressed as appropriate)
- Fall 2011:
 - *Draft CAQH CORE EFT & ERA Rule* and *Draft CORE EFT & ERA Voluntary Certification Test Suite* approved by CORE Work Groups
- Winter 2011:
 - NCVHS issued letter recommending HHS adopt *Draft CAQH CORE EFT & ERA Rule Set*
 - CMS released [IFC](#) adopting ACH CCD+ & X12 835 TR3 TRN Segment as the healthcare EFT standards
- Spring 2012:
 - Updated *Draft CAQH CORE EFT & ERA Operating Rules* (not changing requirements) to reflect CMS recognition of EFT standard and NCVHS guidance to remove voluntary CORE Certification references

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Mandated EFT & ERA Operating Rules: *Next Steps*

- For CAQH CORE:
 - Development of CAQH CORE resources to support industry implementation of the *CAQH CORE EFT & ERA Operating Rules* is in progress, e.g.:
 - FAQs based on lessons learned in CORE rule writing and questions received through CAQH CORE Request Process
 - Drafting *Analysis & Planning Guide for Adopting the CAQH CORE EFT & ERA Operating Rules*
 - Working with CAQH CORE-authorized testing entity Edifecs to beta and alpha test Voluntary CORE Certification Test Site for CAQH CORE EFT & ERA Operating Rules
 - If you have suggestions for additional implementation tools, please email core@caqh.org
 - Launch *CAQH CORE EFT & ERA Operating Rules* prospective study:
 - CAQH CORE is seeking **early adopters** of the EFT & ERA Operating Rules
 - Contact core@caqh.org if your entity is ready for or has begun implementation efforts
- For HHS/CMS:
 - Determine if the *CAQH CORE EFT & ERA Operating Rules* meet the Federal healthcare mandate per ACA Section 1104 and seek public comment
 - CAQH CORE will solicit input and provide CMS organized feedback on any Interim Final Rule with Comment

CAQH CORE EFT & ERA Operating Rules: *Overview*

Rule		High-Level Requirements
Data Content	<i>Uniform Use of CARCs and RARCs (835) Rule</i>	<ul style="list-style-type: none"> Identifies a <u>minimum</u> set of four CAQH CORE-defined Business Scenarios with a <u>maximum</u> set of CAQH CORE-required code combinations that can be applied to convey details of the claim denial or payment to the provider
Infrastructure	<i>EFT Enrollment Data Rule</i>	<ul style="list-style-type: none"> Identifies a maximum set of standard data elements for EFT enrollment Outlines a straw man template for paper and electronic collection of the data elements Requires health plan to offer electronic EFT enrollment
	<i>ERA Enrollment Data Rule</i>	<ul style="list-style-type: none"> Similar to EFT Enrollment Data Rule
	<i>EFT & ERA Reassociation (CCD+/835) Rule</i>	<ul style="list-style-type: none"> Addresses provider receipt of the CAQH CORE-required Minimum ACH CCD+ Data Elements required for reassociation Addresses elapsed time between the sending of the v5010 835 and the CCD+ transactions Requirements for resolving late/missing EFT and ERA transactions Recognition of the role of <i>NACHA Operating Rules</i> for financial institutions
	<i>Health Care Claim Payment/Advice (835) Infrastructure Rule</i>	<ul style="list-style-type: none"> Specifies use of the CAQH CORE Master Companion Guide Template for the flow and format of such guides Requires entities to support the Phase II CAQH CORE Connectivity Rule Includes batch Acknowledgement requirements Defines a dual-delivery (paper/electronic) to facilitate provider transition to electronic remits

Complete CAQH CORE EFT & ERA Operating Rules Set available [HERE](#).

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Polling Question #3: *Focus on EFT & ERA*

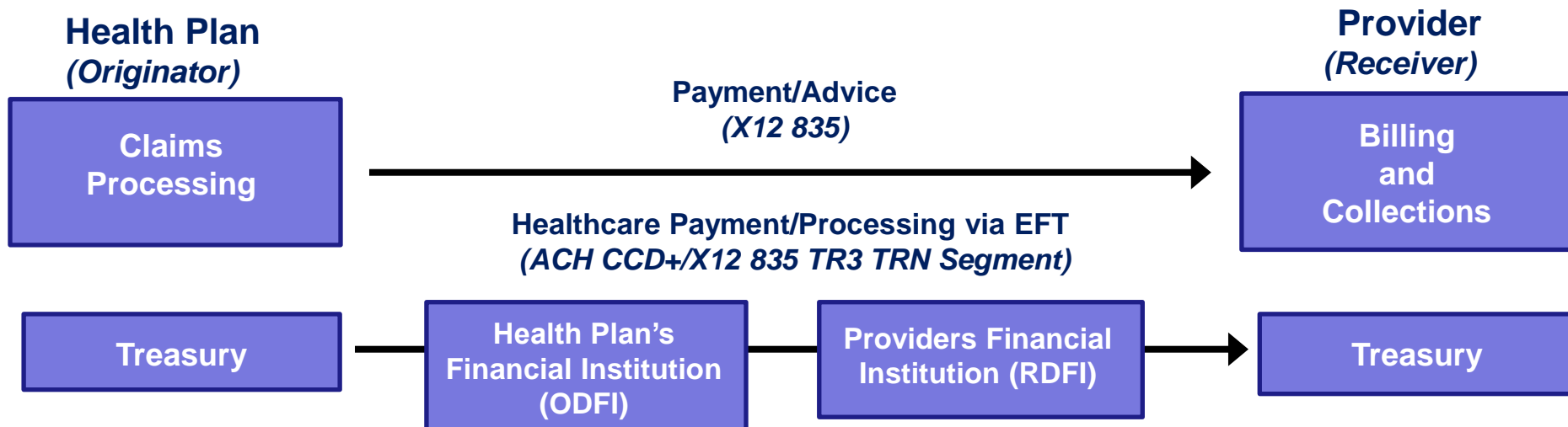
When do you anticipate your organization will begin analysis and planning efforts (budgeting, resource assignment, impact analysis) for implementation of the Federally mandated EFT & ERA operating rules (implementation deadline is January 1, 2014)?

- a. Already started
- b. As soon as an Interim Final Rule is released
- c. As soon as a Final Rule is released
- d. After implementation of Federally mandated Eligibility & Claim Status Operating Rules is complete (e.g., after January 1, 2013)
- e. Summer 2013
- f. Fall 2013 or later
- g. N/A or don't know

NACHA & CAQH CORE:

Complementary Operating Rules

- Electronic Funds Transfer (EFT) and Electronic Remittance Advice (ERA) transactions foster the goals of administrative simplification by moving the process of reimbursement from paper to electronic transactions
- *NACHA Operating Rules* for the ACH CCD+ and CAQH CORE EFT & ERA Operating Rules represent the convergence of financial services and healthcare



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Proposed Enhancements to NACHA Operating Rules:

Identification of Enhancements

During rules development, CORE Participants identified key areas where enhancements to *NACHA Operating Rules* could address current healthcare issues in using ACH CCD+ for EFT payments (included in the [CAQH CORE EFT & ERA Reassociation CCD+/835\) Rule](#))

CORE Requested Enhancements to <i>NACHA Operating Rules</i>	
Recommended Enhancement	Goal of Recommended Enhancement
1. Establish a standard format for the electronic delivery of the CORE-required Minimum CCD+ Reassociation Data Elements between the provider and the financial institutions; include relation to CCD+	A standard format used by <i>all parties</i> encourages the market to have the information needed to create tools that will enable effective and efficient processing of billions of healthcare CCD+ payment transactions
2. Require all financial institutions to deliver the CORE-required Minimum CCD+ Reassociation Data Elements to healthcare providers	Consistent provider receipt from financial institutions of the CORE-required Minimum CCD+ Reassociation Data Elements is needed by the provider so that the provider can successfully match the CCD+ payments from health plans with the corresponding v5010 X12 835
3. Establish a standard connectivity “safe harbor” for the delivery of the CORE-required Minimum CCD+ Reassociation Data Elements to providers that aligns with current healthcare industry efforts	Financial services alignment with the healthcare industry’s movement towards a common, reliable and secure method to exchange both administrative and clinical information

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NACHA Request for Comment: *CAQH CORE Feedback*

Comment Area	NACHA RFC Proposals	Key CAQH CORE Recommendations
Electronic delivery of CORE-required Minimum CCD+ Reassociation Data Elements to providers within two banking days of settlement	Three options for providers to receive CORE-required Minimum CCD+ Reassociation Data Elements	<ul style="list-style-type: none"> Add language to clarify provider is receiving information electronically, such that a manual process to reassociate payment to RA is not needed Use Federally mandated Healthcare EFT Standards as standard format to deliver CORE-required Minimum CCD+ Reassociation Data Elements
Establishment of a standard connectivity “safe harbor”	No specific delivery mechanism for CORE-required Minimum CCD+ Reassociation Data Elements included	Explicitly state RDFI electronic delivery of reassociation data is offered using CAQH CORE “safe harbor” connectivity method as required in HIPAA-mandated CAQH CORE 270 Connectivity Rule
Unique identification of healthcare EFT payments transmitted via ACH Network	Multiple methods to identify healthcare EFTs including: <ol style="list-style-type: none"> <u>Unique Healthcare Identifier</u> in either entry-level or batch level of CCD Use of <u>Company Entry Description</u> field to clarify if payment purpose is for medical healthcare or retail pharmacy 	<ul style="list-style-type: none"> Support need to identify healthcare EFT at <u>batch</u> level Do not distinguish medical from retail pharmacy Address any proposal for changing Company Name Field after Federally-mandated Health Plan Identifier (HPID) is finalized
Less substantive issues	Add 3 terms associated with healthcare EFT	Ensure definitions are consistent with Federal laws, regulations, and standards adopted therein
Other	Require use of an Addenda Record with any CCD Entry used for Healthcare EFT Transaction	<ul style="list-style-type: none"> Word proposed change so its intent is to clarify obligations of ODFI and RDFI Adjust <i>NACHA Operating Rules</i> to allow use of tilde (“~”) as TRN segment terminator: <ul style="list-style-type: none"> ASC X12 835 uses (“~”) as predominant segment terminator; <i>NACHA Operating Rules</i> require backslash (“\”)

Identification of Healthcare EFTs:

Multiple Methods Proposed in NACHA RFC

CORE Participants do not see industry need to indentify healthcare EFTs in multiple fields of the ACH CCD+; support use of a single field at batch level

Record 5: CCD Company/Batch Header

Proposed Data Fields for Identifying Healthcare EFT:

- **Field 7: Company Entry Description** (e.g. HCCLAIMPMT or RXCLAIMPMT)
- **Field 11: Originator Status Code**

Method Supported by CAQH CORE

Record 6: CCD Entry Detail

(Specifies payment information)

Proposed Data Fields for Identifying Healthcare EFT:

- **Field 9: Discretionary Data** (e.g. HX)

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Proposed Enhancements to the NACHA Operating Rules for Healthcare EFTs: Next Steps for NACHA

Michael Herd

NACHA – The Electronic Payments Association

July 17, 2012

NACHA Operating Rules – Rules Development Process

- NACHA maintains and amends the *NACHA Operating Rules* for sending electronic funds transfers via the ACH Network
- NACHA rulemaking was initiated to support implementation of the healthcare EFT standard and address requests for enhancements by the healthcare industry
- NACHA rules work group developed a Request for Comment that was issued March 12, 2012
 - NACHA RFC process similar to NPRM process used by Federal agencies

Healthcare EFT Proposal

NACHA RFC and survey focused on three areas:

- Transaction and Remittance Information Delivery
 - Three options provided for the delivery of the healthcare data
- Standard Description and Formatting of Healthcare EFTs
 - Transaction and originator descriptions
 - Transaction indicators/codes
 - Addenda records that carry re-association number
- Impacts of the Proposed Rule and Effective Date
 - Remittance Delivery
 - Transaction Description and Formatting

Healthcare EFTs - RFC Responses

- The RFC closed on April 27, 2012
 - 73 organizations answered survey questions
 - Financial institutions and NACHA Regional Payment Associations
 - Health plans and processors
 - Healthcare provider associations
 - Healthcare standards organizations
 - Also received 14 comment letters
 - CAQH CORE
 - ACH Operators
 - Federal Reserve Board
 - U.S. Treasury (FMS)

Healthcare RFC High-level Conclusions

- Overall support for:
 - Standard identification of Healthcare EFTs
 - Establishing a standard for electronic delivery of CORE-Required Minimum CCD+ Reassociation Data Elements between healthcare providers and FIs
 - Requiring financial institutions to deliver CORE-Required Minimum CCD+ Reassociation Data Elements

NACHA's Next Steps

- HHS to issue IFC on Healthcare EFT and ERA Operating Rules
 - Ensure that any proposed changes to the *NACHA Operating Rules* are consistent with Healthcare EFT and ERA Operating Rules
- If IFC adopts the CAQH CORE rules in full, NACHA anticipates balloting the NACHA rules proposal in the fall
- Follow normal processes for educating financial institutions and their customers about rule changes
- Leverage partnership with CAQH CORE to educate the healthcare industry

Update on Mandated Healthcare EFT Standard

Healthcare EFT Standards Final Rule: *Highlights*

- ACA Section 1104 requires HHS to adopt HIPAA standard for healthcare EFT
 - January 2012: CMS released [Interim Final Rule with Comment for the Healthcare EFT standard](#)
 - Provided 60 day comment period; CAQH CORE submitted comment letter and shared [model letter](#) with CORE Participants
- July 11, 2012: CMS [adopted](#) IFC as a Final Rule; compliance date is **January 1, 2014**
 - Key provisions of the Healthcare EFT Standard Final Rule:
 - Adopts ACH CCD+ and X12 835 TR3 TRN Segment as the Healthcare EFT Standards *for initiation of healthcare claims payment only*
 - Standards must be used to authorize ODFI to make healthcare EFT payment through the ACH Network by all health plans that conduct healthcare EFT
 - Requires health plans to input X12 835 TR3 TRN Segment into Addenda Record of the CCD
 - **Does not:**
 - Require standards to be used for other stages of claims payment (i.e., transfer of funds or deposit notification)
 - Prohibit voluntary use of EFT formats where EFT & ERA travel together (e.g., ACH CTX)
 - Require health plans to use the ACH Network for EFT payment or apply to EFT payments made outside of the ACH Network

Next Steps to Support Implementation of the Healthcare EFT Standards

Next Steps

- Partner with CAQH CORE to deliver education to the healthcare industry on
 - Implementation of the Healthcare EFT Standards (specifically CCD+Addendum)
 - Changes to the *NACHA Operating Rules* to support healthcare industry use of the EFT Standards
 - Web resources
 - Webinars
 - Town Hall calls
 - Presentations and speaking opportunities
 - White papers
 - Others?



Healthcare Payments Resources

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Healthcare EFT Standard

HHS Adopts NACHA's CCD+ as the HIPAA Standard for EFT/Remittance Advice, effective Jan. 1 2012.

EFT and ERA Healthcare Operating Rules Adoption

New legislation mandates the adoption of healthcare operating rules by January 1, 2014 and a healthcare EFT standard by January 1, 2012.

Solving the Healthcare EFT and ERA Reassociation Number Challenge

The EFT/ERA Reassociation Number challenge is a major barrier to healthcare Providers accepting EFTs.

<http://healthcare.nacha.org/>



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Healthcare EFT Standard

The Department of Health and Human Services (HHS) adopted NACHA's CCD+ as the Electronic Funds Transfer (EFT) standard on January 1, 2012.

The healthcare industry should take steps now to prepare. This page includes information and tools to help.

Check back frequently for updates.



Healthcare EFT Standard

- [Administrative Simplification: Adoption of Standards for Healthcare Electronic Funds Transfer \(EFT\) and Remittance Advice](#)
- [Affordable Care Act Cuts Red Tape, Saves Up to \\$4.5 Billion \(Press Release\)](#)
- [HHS Adopts HIPAA Standard for Electronic Funds Transfer/Remittance Advice \(Press Release\)](#)

ACH Rules Online

[View ACH Rules Online](#)

Sign Up for NACHA's Healthcare Payments Newsletter!

Email:

Healthcare Industry Resource Tab

- Information on Healthcare EFT Standards Implementation
 - Link to ACH Rules Online
 - Healthcare CCD+ Implementation Guide
- *ACH Primer for Healthcare Payments: A Guide to Understanding EFT Payment Processing*
- FAQs on Healthcare EFT Standards
- Healthcare Reassociation information sheet

ACH Primer for Healthcare Payments

A Guide to Understanding EFT Payment Processing



<https://healthcare.nacha.org/ACHprimer>

Update on Non-Rule Development Activities

CORE Transition Committee: *Model Created*

- In 2011, the [CORE Transition Committee](#) was launched with the charge to recommend a model to extend both CAQH CORE multi-stakeholder governance and funding
 - CAQH CORE's rule writing process is already multi-stakeholder
- Status: A draft new CORE Governance Model has been developed by the CORE Transition Committee
 - The proposed governance structure expands existing CORE process for multi-stakeholder operating rules development by creating a new multi-stakeholder CORE Board to oversee budget, policy developments, etc.
 - Draft model proposes a Board that is provider/health plan focused, executive leadership-driven and results-oriented; vendors and others also serve on the Board but providers/health plans need consensus to move positions forward
 - Draft model addresses governance and not funding; CAQH will continue to fund CORE until new CORE Board determines other revenue streams that enable CORE to fully resource its integrated model (rules development, certification, and tracking ROI/outreach)
- Next Steps:
 - CORE Transition Committee will then seek feedback from wider range of entities before transition begins to the new Board

Thank You For Joining Us: *Stay Involved*

- Ensure your organization is ready for the **January 1, 2013** Mandated Eligibility & Claim Status Operating Rules deadline*:
 - [HIPAA v5010 Phase I & II CAQH CORE Eligibility & Claim Status Rules](#)
- Join us at another [CAQH CORE Education Event](#)
 - Upcoming CAQH CORE Education Sessions
 - July 30th, 2:00 – 3:30 pm ET: Joint CAQH CORE/Edifecs Education Session: *Reality Check: Testing Mandate Readiness with Edifecs, A CAQH CORE-authorized testing vendor*, register [HERE](#)
 - July/August: CAQH CORE presenting at several conferences including WEDI Summer Forum, GE Centricity Business Conference, Western Claims Conference, and Medicaid Enterprise Systems Conference (MESC)
 - Upcoming Public CAQH CORE Town Halls
 - Tuesday, September 11th, 3:00-4:00 pm ET
 - Tuesday, October 30th, 3:00-4:00 pm ET
 - Tuesday, December 11th, 3:00-4:00 pm ET
- Learn the basics of *voluntary* [CORE Certification](#)
- Contact CORE@caqh.org regarding rule interpretations or to submit requests for information/clarification

*NOTE: In the [Final Rule for Administrative Simplification: Adoption of Operating Rules for Eligibility for a Health Plan and Health Care Claim Status Transaction](#), requirements pertaining to Acknowledgements are not included for adoption.

Town Hall Evaluation

Please rank the usefulness of this CAQH CORE Town Hall (i.e., were your needs/expectations met).

1. Very useful
2. Mostly useful
3. Somewhat useful*
4. Not very useful*

** If you rank the session a “3” or “4”, please email CAQH CORE suggestions for improvement (e.g., additional topic areas, more Q&A, etc.)*